

IDAHO'S WAGES FROM 2001 TO 2006 STAYED THE COURSE

The national recession of 2001-2002 stifled economic growth across Idaho. Businesses put the brakes on, hoping to navigate the downturn without suffering serious financial upheaval. Unemployment jumped. Local rates over 6 percent were common. Double digit jobless rates persisted in too many rural counties.

But for those who managed to keep working through the downturn, wages increased in parts of rural Idaho at a faster pace than for the rest of the state. In part, that was a testament not only to the hardiness of the rural economy that had not enjoyed a full measure of the growth surge in the 1990s but also to the fact that Idaho's rural economy may have been stretched to its limit already without any more to give.

At the same time, however, the more urban areas of the state that seemed to bear the brunt of the slowdown recovered steadily and strongly after 2002, essentially erasing the gains those rural communities had made. With a few notable exceptions, that reflects the continued migration of people and jobs to Idaho's larger cities.

Rural Idaho's economy may have had its volatility limited with the passing of natural resources as the only driving force, but it runs at a level well below the statewide norm. More urban areas, while reacting much more drastically to downward economic swings, also bounced back more strongly and to a substantially higher level.

In 2001 as the economy was beginning to weaken, Idaho's average weekly wage was \$534, based on required employer reports detailing total wages paid and the number of employees paid. The reports, mandated under the unemployment insurance program, do not indicate whether an employee worked part time, full time or overtime. They do include bonuses, severance or other one-time compensation employees may receive during a year. Employers covered by the unemployment insurance program paid nearly 95 percent of all wages and salaries in Idaho in 2006.

Only six of Idaho's 44 counties – Ada, Blaine, Butte, Caribou, Nez Perce and Power – recorded average wages higher than the statewide average. Ada is the state's economic hub. Blaine is home to the posh

FYI Table 1: Counties with Average Weekly Wage at least \$100 Lower Than the Statewide Average, 2001-2006

County	2001	2002	2003	2004	2005	2006*
Idaho	\$534	\$542	\$551	\$574	\$592	\$626
Camas	\$322	\$357	\$371	\$394	\$485	\$537
Oneida	\$345	\$357	\$355	\$373	\$388	\$423
Bear Lake	\$351	\$364	\$367	\$372	\$388	\$389
Madison	\$372	\$400	\$422	\$442	\$447	\$470
Washington	\$373	\$389	\$397	\$423	\$453	\$464
Franklin	\$375	\$384	\$395	\$398	\$433	\$447
Boise	\$378	\$399	\$403	\$458	\$459	\$498
Lewis	\$378	\$389	\$394	\$405	\$441	\$447
Elmore	\$382	\$404	\$419	\$440	\$472	\$489
Teton	\$389	\$408	\$436	\$450	\$491	\$513
Clark	\$400	\$432	\$466	\$454	\$493	\$576
Owyhee	\$402	\$397	\$398	\$435	\$475	\$493
Lemhi	\$405	\$412	\$421	\$432	\$452	\$478
Cassia	\$419	\$429	\$438	\$455	\$467	\$494
Gooding	\$419	\$436	\$438	\$461	\$483	\$491
Valley	\$420	\$430	\$428	\$452	\$503	\$561
Adams	\$421	\$448	\$447	\$445	\$462	\$500
Fremont	\$429	\$434	\$452	\$456	\$471	\$494
Jerome	\$431	\$446	\$457	\$479	\$491	\$512
Twin Falls	\$432	\$438	\$455	\$470	\$482	\$509
Lincoln	\$433	\$437	\$452	\$480	\$505	\$522

*=preliminary

Source: Quarterly Census of Employment and Wages, Idaho Commerce & Labor

Sun Valley resort area, where average wages even for waitresses and others in the hospitality sector run \$100 a week or more above the statewide average. Butte County includes the Idaho National Laboratory and its scientists and engineers. Caribou and Power counties both had work forces heavily involved in elemental phosphorus mining, and Nez Perce was anchored by the Potlatch mill.

In contrast, 21 counties recorded average wages of at least \$100 a week below the state wide average, and Camas County, extremely rural and sparsely populated, posted the lowest average wage at \$322 a week. All 21 were heavily agricultural and south of the Salmon River, indicating the impact the high-paying timber and mining sectors have in northern and north central Idaho even though both had declined far from their heydays in 2001.

Idaho's four other major urban counties – Ban-nock, Bonneville, Canyon and Kootenai – were within \$60 of the statewide average.

With the national recession gripping Idaho's econ-omy, wages essentially stagnated as the number of people looking for work jumped. Statewide, the aver-age weekly wage rose just 1.4 percent in 2002 and just 1.8 percent in 2003.

But in those 21 lowest counties, the average wage was up over 3 percent in both years. Seventeen of the 21 posted increases higher than the statewide aver-age increase in 2002 and 13 did the same in 2003.

The dollar impact, however, was not as significant as the percentages might suggest. A 3 percent in-crease on a \$409 weekly wage for the 21 lowest counties translated into \$13. But a 1.4 percent in-crease on the higher \$534 average wage statewide still produced \$8 more a week.

In 2006, wage growth was even stronger at over 5 percent, but it fell short of the nearly 6 percent growth in wages statewide as instances and pockets of skill shortages marked the state and translated into gen-eral manpower shortages in lesser skilled sectors. Em-ployers, especially in the urban areas, were forced to respond with financial incentives that pushed weekly paychecks higher.

By the end of 2006, average weekly wages were higher than in 2001, despite the slowdown, in every county except Power County, where the closure of the elemental phosphorus operation had a severe impact. But aside from being higher, the relationship of aver-age weekly wages among the counties was little changed.

Only six counties had average weekly wages above the statewide average of \$626. Custer County, with a resurgence of mining activity, and Bonneville County,

which has seen substantial population growth and eco-nomic development, replaced Power and Nez Perce counties, which have yet to significantly participate in the post-recession expansion that most of the rest of the state has felt.

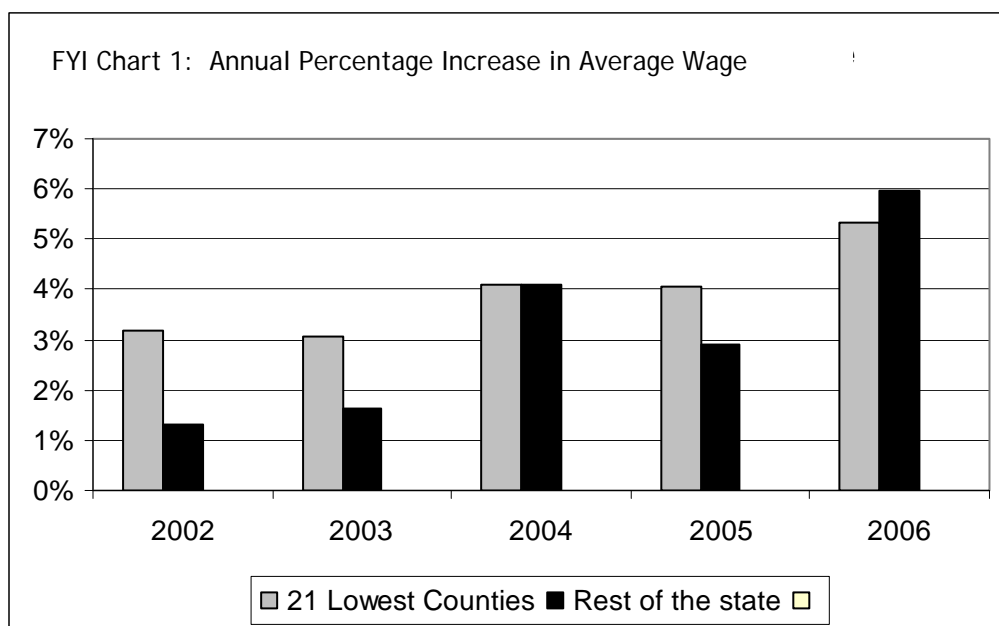
Instead of 21 counties with average weekly wages \$100 or more below the state-wide average, there were 24. Breaking away from the bloc were Camas, which has seen some increase in population, trade and resort activity; Valley, where construction at the new Tamarack resort pushed the average weekly wage up over

\$100 in just two years; and Clark, an extremely small agricultural county where even very modest changes in economic circumstances have a dramatic statistical impact.

Replacing and expanding on those three were Bing-ham, Boundary, Gem, Latah, Minidoka and Payette counties – all rural.

See FYI Table 2: Average Weekly Earnings by County on page 34.

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By the time the rate of increase for the rest of the state caught up with the rate for the lowest 21 coun-ties in 2004 at around 4.1 percent for each, there was still a \$116 gap between the average weekly wage statewide and the average for the 21 lowest counties. Only 11 of the lowest counties saw average wages increase at or above the statewide rate.

Wages in those 21 counties did advance a percent-age point faster than for the rest of the state in 2005 at just over 4 percent again as several areas bene-fited from continued population growth and some eco-nomic development success. In fact, 16 of those counties saw average weekly wages growth faster than they did statewide.

FYI Table 2: Average Weekly Earnings by County, 2001-2006

County	2001	2002	2003	2004	2005	2006*	Chg 01-06
Idaho	\$534	\$542	\$551	\$574	\$592	\$626	17.27%
Ada	\$636	\$647	\$657	\$687	\$708	\$754	18.53%
Adams	\$421	\$448	\$447	\$445	\$462	\$500	18.80%
Bannock	\$473	\$485	\$491	\$514	\$535	\$544	15.10%
Bear Lake	\$351	\$364	\$367	\$372	\$388	\$389	10.97%
Benewah	\$506	\$510	\$519	\$553	\$575	\$594	17.45%
Bingham	\$450	\$465	\$468	\$488	\$499	\$521	15.86%
Blaine	\$612	\$626	\$588	\$611	\$632	\$681	11.33%
Boise	\$378	\$399	\$403	\$458	\$459	\$498	31.66%
Bonner	\$455	\$465	\$480	\$509	\$548	\$579	27.25%
Bonneville	\$521	\$545	\$553	\$573	\$591	\$631	21.08%
Boundary	\$448	\$469	\$481	\$507	\$493	\$524	16.86%
Butte	\$1,106	\$1,132	\$1,173	\$1,239	\$1,176	\$1,306	18.10%
Camas	\$322	\$357	\$371	\$394	\$485	\$537	66.66%
Canyon	\$500	\$488	\$502	\$521	\$532	\$562	12.40%
Caribou	\$665	\$658	\$688	\$709	\$713	\$751	12.93%
Cassia	\$419	\$429	\$438	\$455	\$467	\$494	17.96%
Clark	\$400	\$432	\$466	\$454	\$493	\$576	44.03%
Clearwater	\$474	\$479	\$481	\$496	\$515	\$548	15.62%
Custer	\$463	\$429	\$456	\$493	\$563	\$630	36.09%
Elmore	\$382	\$404	\$419	\$440	\$472	\$489	27.93%
Franklin	\$375	\$384	\$395	\$398	\$433	\$447	19.25%
Fremont	\$429	\$434	\$452	\$456	\$471	\$494	15.26%
Gem	\$435	\$405	\$411	\$424	\$438	\$478	9.82%
Gooding	\$419	\$436	\$438	\$461	\$483	\$491	17.25%
Idaho	\$451	\$462	\$479	\$501	\$517	\$539	19.52%
Jefferson	\$451	\$462	\$479	\$501	\$517	\$539	19.52%
Jerome	\$431	\$446	\$457	\$479	\$491	\$512	18.89%
Kootenai	\$480	\$487	\$506	\$529	\$542	\$572	19.23%
Latah	\$459	\$470	\$473	\$485	\$505	\$505	9.93%
Lemhi	\$405	\$412	\$421	\$432	\$452	\$478	17.99%
Lewis	\$378	\$389	\$394	\$405	\$441	\$447	18.13%
Lincoln	\$433	\$437	\$452	\$480	\$505	\$522	20.47%
Madison	\$372	\$400	\$422	\$442	\$447	\$470	26.43%
Minidoka	\$444	\$453	\$439	\$457	\$466	\$492	10.73%
Nez Perce	\$547	\$552	\$560	\$576	\$581	\$607	11.02%
Oneida	\$345	\$357	\$355	\$373	\$388	\$423	22.74%
Owyhee	\$402	\$397	\$398	\$435	\$475	\$493	22.62%
Payette	\$434	\$456	\$471	\$470	\$495	\$518	19.31%
Power	\$575	\$508	\$511	\$529	\$502	\$564	-1.84%
Shoshone	\$453	\$459	\$478	\$507	\$533	\$568	25.32%
Teton	\$389	\$408	\$436	\$450	\$491	\$513	31.92%
Twin Falls	\$432	\$438	\$455	\$470	\$482	\$509	17.93%
Valley	\$420	\$430	\$428	\$452	\$503	\$561	33.59%
Washington	\$373	\$389	\$397	\$423	\$453	\$464	24.34%
Unknown	\$721	\$727	\$781	\$808	\$989	\$1,071	48.50%

* = preliminary

Source: Quarterly Census of Employment and Wages, Idaho Commerce & Labor